

Message Text

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PAGE 01 MOSCOW 01402 301416Z POSS DUPE
ACTION EUR-12

INFO OCT-01 ARA-10 ISO-00 CIAE-00 DODE-00 PM-05 H-01
INR-07 L-03 NSAE-00 NSC-05 PA-01 PRS-01 SP-02
SS-15 USIA-06 DOE-11 SOE-02 EB-08 TRSE-00 OMB-01
CPR-01 COME-00 /092 W
-----088662 310530Z /11

R 301215Z JAN 78
FM AMEMBASSY MOSCOW
TO SECSTATE WASHDC 7255
INFO AMCONSUL LENINGRAD
AMEMBASSY BELGRADE
AMEMBASSY BERLIN
USMISSION BERLIN
AMEMBASSY BUCHAREST
AMEMBASSY BUDAPEST
USINT HAVANA
USMISSION USNATO
AMCONSUL MUNICH
AMEMBASSY PRAGUE
AMEMBASSY SOFIA
AMEMBASSY WARSAW

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E.O. 11652: N/A
TAGS: ENRG, SOCI, UR
SUBJECT: NEW SOVIET GASOLINE SALES MEASURES

SUMMARY: SINCE JANUARY 1 GASOLINE COUPONS ISSUED TO FOREIGNERS
AND TO SOVIET CITIZENS ALIKE ARE VALID ONLY FOR A THREE-MONTH
PERIOD (RATHER THAN FOR SIX OR TWELVE MONTHS), AND MAY NEITHER BE
REDEEMED NOR REVALIDATED. WHILE THERE MAY BE A NUMBER OF REASONS
FOR ISSUING NEW REGULATIONS AND TIGHTENING UP CONTROL NOW --
A BETTER ABILITY TO ALLOCATE DEMAND BY PLACE AND TIME AND
CONSUMER, ELIMINATION OF CARRY-OVER DEMAND -- THE MORE IMPORTANT
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RESULT IN THE LONG RUN MAY BE THE ESTABLISHMENT OF A SYSTEM THAT
COULD BE USED TO CONSTRICT DEMAND FAIRLY QUICKLY IN THE FUTURE
IF THAT SHOULD BE DEEMED DESIRABLE. END SUMMARY.

1. WE ARE INFORMED THAT THE DIPLOMATIC SERVICE AGENCY (UPDK)
IN MID-DECEMBER SENT A CIRCULAR NOTE TO EMBASSIES (WE DID NOT
RECEIVE A COPY) INFORMING THEM THAT UPDK GASOLINE COUPONS FOR

THE DIPLOMATIC CORPS WILL BE VALID ONLY FOR THE 3-MONTH PERIOD JANUARY TO MARCH AND THAT UNUSED COUPONS WILL NOT BE REDEEMED OR RE-VALIDATED. RECIPIENT EMBASSIES HAVE INFORMED US THAT THE THREE-MONTH VALIDITY PERIOD FOR COUPONS WILL REMAIN IN EFFECT FOR THE FORESEEABLE FUTURE. UPON INQUIRY, THE FRENCH WERE TOLD BY HEAD OF GENERAL SERVICES AT UPDK THAT THESE NEW REGULATIONS APPLY TO ALL SOVIET CITIZENS AS WELL AS TO DIPLOMATS.

2. COMMENT: SOVIETS ARE APPARENTLY TRYING TO INCREASE CONTROL OVER DISTRIBUTION AND ACCOUNTING FOR GASOLINE. ONE MEASURE OF THE SERIOUSNESS AND EFFECTIVENESS OF THE AUTHORITIES WILL BE HOW LONG AND HOW STERNLY THE STATION ATTENDANTS ENFORCE THE NEW REGULATIONS. ON THAT SCORE THE PICTURE IS STILL UNCLEAR. IN EARLY JANUARY EVEN DIPLOMATS WERE ENCOUNTERING SOME PROBLEMS IN BUYING GASOLINE WITH RUBLES RATHER THAN COUPONS. THIS WEEK, HOWEVER, AT LEAST TWO DIPLOMATS HAVE BOUGHT 95-OCTANE FOR RUBLES WITHOUT ANY HASSLE AT ALL.

3. POSSIBLE MOTIVATIONS FOR THE NEW MEASURES INCLUDE TIGHTENING UP ACCOUNTING TO DISCOURAGE THEFT AND DIVERSION AT THE RETAIL LEVEL, INCREASING THE ABILITY TO CONTROL EFFECTIVE DEMAND, RAISING REVENUES FROM GASOLINE SALES -- HENCE AN INVISIBLE PRICE INCREASE (BECAUSE ORGANIZATIONS WILL HAVE TO OVER-BUY COUPONS IN ORDER TO HAVE ENOUGH), AND INCREASING SLIGHTLY FOREIGN EXCHANGE EARNINGS (BECAUSE EMBASSIES MUST NOW PAY BY BANK TRANSFER, RATHER THAN IN RUBLES).
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4. MORE IMPORTANT, WE THINK, IS FACT THAT INSTITUTION OF QUARTERLY COUPONS WILL PERMIT RESTRICTION ON THEIR ISSUANCE TO LIMIT EFFECTIVE DEMAND FAIRLY RAPIDLY BY ELIMINATING VALIDITY OF COUPONS FROM PREVIOUS QUARTER. IT ALSO SETS UP A SYSTEM THAT WILL ALLOW CONSUMPTION TO BE CONSTRICTED AT WILL QUARTERLY.
MATLOCK

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Control Number: n/a
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Draft Date: 30 jan 1978
Decaption Date: 20 Mar 2014
Decaption Note: 25 YEAR REVIEW
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Disposition Approved on Date:
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Disposition History: n/a
Disposition Reason:
Disposition Remarks:
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Enclosure: n/a
Executive Order: N/A
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To: STATE
Type: TE
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